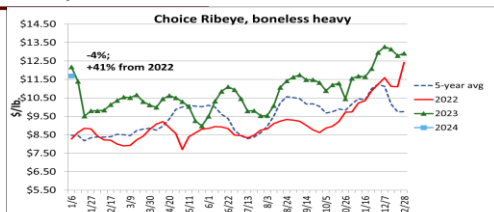


SUPPLY & DEMAND

Following firm consumer beef demand during the year-end holidays, the composite cutout value moved significantly lower last week, primarily due to a major downward correction in rib values (see GRAPH below). Beef demand normally turns sluggish after the Christmas/New Year period, and analysts note that retail beef prices were record high in December. U.S. consumers tighten their belts at the beginning of the New Year as shopping & annual tax obligations grow closer. High rib values, along with those of chuck rolls, have been supporting the overall USDA CHOICE cutout value through much of the year, with prices of other items including short plates, flanks, beef trimmings and – to some extent – the loin, coming under pressure over last fall and winter. At the end of last week, the cutout had fallen below year-ago levels, and hit the weakest level since February of last year. Given last week's free fall in wholesale beef prices, many will be carefully watching how prices settle by the end of this week as cattle slaughter resumes a normal schedule. Packing plants are getting pinched between falling beef prices and rising live cattle prices, the latter which have bounced upward following their December low. Last Friday, live fed cattle values closed higher for the 3rd consecutive week, with Nebraska fed live cattle values averaging roughly U.S. \$1.75/lb., up from the \$1.70 range two weeks earlier. A major storm is passing through all of U.S. cattle country this week, providing much needed moisture to pasturelands, especially to the Southern Plains, including Kansas, Texas & Oklahoma. Any improvement in southern grasslands will allow for more summer grazing, which will slow placements of cattle into feedlots. Fed cattle futures seesawed last week, but ended up as analysts expect feedlot inventories to tighten through the spring as the industry works through the current supply bubble (see MOVING AHEAD next column). U.S. beef export & new sales activity during the Christmas week (Dec 22-28) was particularly strong, with large shipments to **Mexico, Canada, China & Korea**. Nevertheless, weekly USDA data showed U.S. beef export tonnage (muscle cuts) finished the year **-14%** from the pace of 2022.

Choice Ribeye

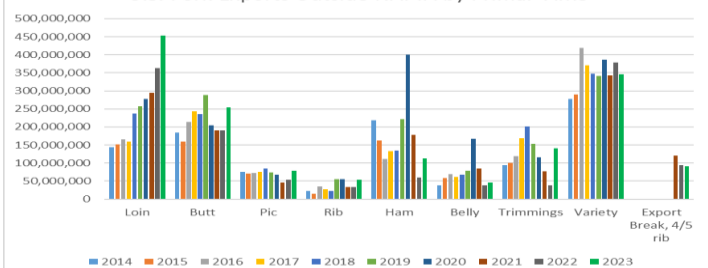


Source: USDA/AMS, boneless heavy

Beef Choice Beef Cutout Value: 8/1/2024 - US\$278.83/cwt. (-4% from 18/12/2023)

Wholesale pork prices rose during the 1st week of the year, buoyed by a sharp gain in spot belly prices and continued firm export ham demand. Buyers began locking down belly supplies early for the high demand season. The U.S. pork industry is also hoping 2024 exports stay strong after a solid 2023 performance. Weekly U.S. pork export activity drifted lower during December, but 2023 volumes shipped to all destinations through December 28th were **+5%** YOY. Export data for markets excluding **Mexico** and **Japan** show encouraging gains last year in purchases of U.S. pork loins, butt, and ribs, helped by a **23%** YOY increase in shipments to **Korea**. Despite robust exports, last year was difficult for U.S. pork producers with losses throughout the sector (see MOVING AHEAD next column). Although wholesale pork prices firmed last week, lean hog futures ended lower last Friday, with the nearby February lean hog contract dipping to a new contract low.

U.S. Pork Exports Outside NAFTA by Primal- AMS



Hog Carcass Cutout Value: 8/1/2024 - US\$85.02/cwt. (+1% from 18/12/2023)

MOVING AHEAD

Analysts are parsing 2 important USDA reports issued over the holiday period for clues about the direction of 2024 U.S. cattle and hog markets.

Cattle: the latest (Dec 22) Cattle on Feed (COF) report showed the total number of cattle in feedlots as of last Dec 1 was still high at 12.006 million head, up **2.7%** YOY & just slightly below the record Dec 1, 2007, COF total. Feedlots continued to buy cattle for feeding at higher rates than predicted during November, while the flow of cattle to packing plants during the month was **-7.5%** the pace of the same month a year earlier. As a result, an unanticipated bubble in feedlot inventories has developed as evidenced by the record inventory of front-end cattle (COF over 150 days); despite the overall U.S. herd contraction, the number of front-end fed supplies on Dec 1 was +305K head from Dec 1, 2022. Three years of drought conditions in many of the main cattle producing areas have forced cow-calf producers to liquidate, leading to a higher-than expected flow of cattle into feedlots, but setting up the market for tighter supplies later when foraging conditions improve. High cattle prices have also helped push cattle into feedlots; at the beginning of December, prices for 500-600-pound steer calves stood at about \$270/cwt. (100 pounds liveweight), \$80 higher than a year earlier, and a \$100 higher than the 5-year average from 2017-2021. Looking ahead, market optimists hope the cyclical climate shift to El Nino weather patterns will result in wetter weather in the cattle-concentric Southern Plains, which could stimulate the retention of heifers & the beginning of significant herd rebuilding. When this starts, the supply of cattle outside of feedlots will grow even tighter.

Swine: USDA's quarterly hogs report also published Dec 22 showed the December 1 U.S. inventory of all hogs and pigs at 74.97 million head, roughly equal to a year earlier. This was higher than predicted, given that the sow herd of 5.999 million head was **3.3%** below the 12/1/2022 level. In short, producers reduced farrowings last year, but the market hog pipeline remained flush due to a large increase in average pigs saved per litter. To be precise, for the Sep-Nov 2023 quarter, average pigs per litter reached 11.66, **3.9%** higher than the same quarter a year earlier, and offsetting the **4%** decline in farrowings. Strong U.S. pork export demand through the year could not provide enough support to keep producers in the black, with bellwether Iowa hog producers averaging losses of approximately \$22/head over the last 13 months. Analysts at this point believe 2024 hog slaughter could be higher this year – and live hog prices lower – unless producers undertake more aggressive sow culling.

TRADE

China's total beef import volume of 2.534 million tons through November 2023 was up **1.9%** over 2022's pace, but lower per-ton import prices suggest beef demand in China remains sluggish. One segment of the import market that has continued to grow this year is chilled beef. Imports through November of approximately 68K tons were up **19%** YOY, with the full chilled volume for the year likely to set another record. China's chilled beef imports as a % of total imports are still very low at less than 3%. That compares to ratios of 39%, 21% & 21% for Japan, Korea, and Taiwan respectively. Given that a large majority of China's beef imports are sourced from South America (SA) – a long sea journey from Chinese ports – the ratio of chilled imports to all beef may not match that of its neighbors that import less SA product. But even if the chilled ratio reached 10%, China would be the largest chilled beef import market in Asia. The continued opening in China of retail club stores (e.g., **Sam's, COSTCO**) is helping to fuel chilled import growth, but more Chinese restaurants are also purchasing chilled product. The U.S. will emphasize more chilled beef promotions in China in the coming years, recognizing the growing capabilities of importers to handle chilled beef, and to some extent, customs clearance times at ports that are shorter than just several years back. With 90+ day shelf lives, and 30-day shipping times, U.S. product arrives fresh and carries the bonus of accumulating additional tenderness through the wet-aging process that occurs during its sea journey.

China chilled beef imports 2017-2023; Jan-Nov (volume: metric tons)



Source: TDM

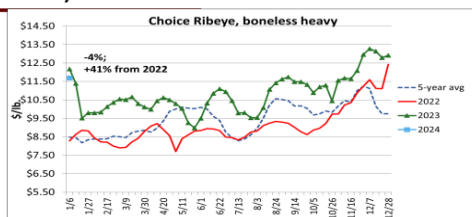
ACTIVITIES:

Food & Hotel Asia, Singapore: April 23-26, 2024
SIAL, Shanghai: May 28-30, 2024

供应与需求

继年底假期期间消费者牛肉需求坚挺后，上周综合分切价格显著下降，主要是由于肋脊部价格大幅下调（见下图）。圣诞节/新年过后，牛肉需求通常会变得低迷，分析师指出，12 月份牛肉零售价格创下历史新高。随着购物和年度纳税义务的临近，美国消费者在新年伊始勒紧裤腰带。高昂的肋脊部价格以及上脑的价格在今年的大部分时间里一直支撑着美国精选级的总体分切价格，而包括胸腹肉、腹肋肉、牛碎肉以及在某种程度上 - 腰脊肉在内的其他产品的价格在去年秋天和冬天价格有所下降。截至上周末，牛肉分切价格已跌破去年同期水平，并触及去年 2 月以来的最低水平。鉴于上周牛肉批发价格大幅下跌，随着牛屠宰恢复正常，许多人将密切关注本周末价格的稳定情况。屠宰场正面临牛肉价格下跌和活牛价格上涨的压力，活牛价格在 12 月低点后已经反弹。上周五，活牛价格连续第三周收高，内布拉斯加州的活牛价格平均约为 1.75 美元/磅，高于两周前的 1.70 美元。本周一场大风暴正在席卷美国全国养牛场，为牧场提供急需的水分，特别是包括堪萨斯州、德克萨斯州和俄克拉荷马州在内的南部平原。南部草原的任何改善都将允许更多的夏季放牧，这将减缓牛进入育肥场的速度。上周，出栏牛期货价格出现了上下波动，但波动最终结束，因为分析师预计，随着该行业克服当前的供应泡沫，整个春季育肥场库存将趋紧（请参阅产业动态）。圣诞节周（12 月 22 日至 28 日）期间，美国牛肉出口和新销售活动尤其强劲，大量出口至**墨西哥、加拿大、中国**和**韩国**。尽管如此，美国农业部每周数据显示，2023 年美国牛肉出口量（不计副产品）较 2022 年下降了 14%。

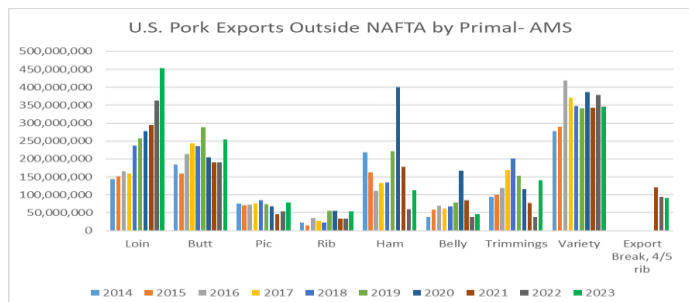
Choice Ribeye



Source: USDA/AMS, boneless heavy

美国农业部牛肉屠体价格指数（特选级）：2024 年 1 月 8 日 - \$278.83 美元/百磅（较 2023 年 12 月 18 日减少 4%）

受现货腹肋肉价格大幅上涨和出口后腿需求持续强劲的推动，今年第一周猪肉批发价格上涨。买家在需求旺季提前开始锁定腹部供应。美国猪肉行业在 2023 年表现强劲后，也希望 2024 年出口保持强劲。12 月份美国每周猪肉出口活动有所下降，但截至 12 月 28 日，2023 年运往所有目的地的出口量同比增长 5%。除**墨西哥**和**日本**外的市场出口数据显示，去年美国猪肉背脊部、肩胛部和肋骨的购买量出现了令人鼓舞的增长，这得益于对**韩国**的出口量同比增长 23%。尽管出口强劲，但去年对美国猪肉生产商来说却很困难，整个行业都遭受了损失（请参阅产业动态）。尽管上周猪肉批发价格坚挺，但上周五瘦肉猪期货收低，附近的 2 月瘦肉猪合约价格跌至新低。



猪屠体分切价格：2024 年 1 月 8 日 - \$85.02 美元/百磅（较 2023 年 12 月 18 日增加 1%）

美国肉类出口协会活动预告：

新加坡国际食品与饮料展 - 新加坡：2024 年 4 月 23-26 日

SIAL 国际食品展(上海)：2024 年 5 月 28-30 日

产业动态

分析师正在解析美国农业部在假期期间发布的两份重要报告，以寻找有关 2024 年美国牛和生猪市场走向的线索。

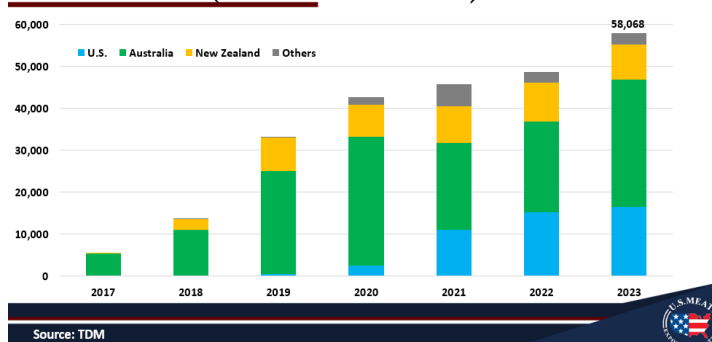
牛：最新（12 月 22 日）育肥牛（COF）报告显示，截至去年 12 月 1 日，育肥场的牛总数仍然很高，为 1,200.6 万头，同比增长 2.7%，略低于 2007 年 12 月 1 日育肥场牛只总数的记录。11 月份育肥场继续以高于预期的速度购买牛进行育肥，而 11 月份流向屠宰场的牛只数量比去年同期下降 7.5%。结果，育肥场库存出现了意想不到的泡沫，可出栏牛的高库存记录（超过 150 天的育肥）证明了这一点；尽管美国整体牛群萎缩，但 2023 年 12 月 1 日的可出栏牛只供应数量比去年同期仍增加了 30.5 万头。许多主要牛只生产区三年的干旱状况迫使母牛-犊牛生产商清算牛群，导致进入育肥场的牛只数量高于预期，但当觅食条件改善时，市场供应将趋紧。高牛价也促使牛只进入育肥场；12 月初，500-600 磅重的小公牛价格约为 270 美元/英担（100 磅活重），比去年同期高出 80 美元，比 2017-2021 年的 5 年平均水平高出 100 美元。展望未来，市场乐观主义者希望，厄尔尼诺天气模式的周期性气候转变将使以牛为中心的南部平原天气变得更加潮湿，这可能会刺激小母牛的留存并开始大规模的牛群重建。当这种情况开始时，育肥场以外的牛的供应将变得更加紧张。

生猪：美国农业部 12 月 22 日发布的季度生猪报告显示，截至 12 月 1 日，美国所有生猪库存为 7497 万头，与去年同期基本持平。鉴于 599.9 万头母猪存栏量比 2022 年 12 月 1 日的水平低 3.3%，生猪库存这一数字高于预期。简而言之，去年生产者减少了生育母猪数，但由于每窝平均存活仔猪数大幅增加，市场生猪供应仍保持充足。准确地说，2023 年 9 月至 11 月季度，平均每窝存活仔猪数达到 11.66 头，比去年同期增长 3.9%，抵消了生育母猪数下降 4% 的影响。美国全年强劲的猪肉出口需求无法为生产商提供足够的支持以保持盈利，爱荷华州的领头生产商在过去 13 个月中平均亏损约 22 美元/头。目前分析师认为，除非生产商采取更积极的母猪产能去化措施，否则今年 2024 年生猪屠宰量可能会更高，生猪价格也会更低。

贸易新闻

截至 2023 年 11 月，中国牛肉进口总量为 253.4 万吨，比 2022 年增长 1.9%，但每吨进口价格下降表明中国牛肉需求仍然低迷。今年进口市场持续增长的一个领域是冰鲜牛肉。截至 11 月份的进口量约为 6.8 万吨，同比增长 19%，全年冰鲜牛肉进口量可能再创纪录。中国的冰鲜牛肉进口量占总进口量的比例仍然很低，不足 3%。相比之下，日本、韩国和中国台湾地区的比例分别为 39%、21% 和 21%。鉴于中国进口的大部分牛肉来自南美——离中国港口需经过漫长的海上运输——冰鲜进口与所有牛肉的比例可能无法与进口南美产品较少的邻国相媲美。但即使冰鲜比例达到 10%，中国也将成为亚洲最大的冰鲜牛肉进口市场。零售会员店（例如**山姆**、**好市多**）在中国的持续开业有助于推动冰鲜进口的增长，但更多的中国餐馆也在购买冰鲜产品。美国将在未来几年重点在中国开展更多冰鲜牛肉促销活动，因为认识到进口商处理冰鲜牛肉的能力不断增强，并且在某种程度上，港口的清关时间比几年前更短。美国产品的保质期超过 90 天，运输时间为 30 天，到达时新鲜，并通过海上运输中的湿式熟成过程积累额外的嫩度。

China chilled beef imports 2017-2023; Jan-Nov (volume: metric tons)



Source: TDM